

Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EA-07 EUR-12 NEA-10 IO-13

ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06

AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00

CEA-01 /112 W

-----078792 241916Z /40

P R 241450Z JUN 77

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 8581

INFO OECD CAPITALS

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CAIRO

MAMEMBASSY DAMASCUS 106-107

AMEMBASSY DAR ES SALAAM

AMEMBASSY GUATEMALA

AMEMBASSY ISLAMABAD

AMEMBASSY LAGOS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY MANILA

AMEMBASSY MANAGUA

AMEMBASSY MEXICO CITY

AMEMBASSY MOSCOW

AMEMBASSY NDJAMENA

AMEMBASSY NEW DELHI

AMEMBASSY SAN SALVADOR

AMEMBASSY SEOUL

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

USINTERESTS BAGHDAD

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C O R R E C T E D COPY -- TEXT

EO 11652: NA

TAGS: UNCTAD

SUBJ: UNCTAD: PREPARATORY MEETING ON COTTON, JUNE 20-24

1977

1. THE FIRST MEETING OF THE UNCTAD PREPARATORY CONFERENCE ON COTTON RESULTED IN ANOTHER SETBACK FOR THE UNCTAD INTEGRATED PROGRAM FOR COMMODITIES. THE JUNE 20-24 MEETING REVEALED SIGNIFICANT DEVELOPING COUNTRY OPPOSITION TO INTERNATIONAL BUFFER STOCKS. ALTHOUGH THE MEETING AGREED THAT THE CONFERENCE SHOULD MEET AGAIN AT THE LEVEL OF GOVERNMENTAL EXPERTS, IT CLEARLY SIGNALLED THE CONFERENCE WOULD NOT SUPPORT BUFFER STOCKS FOR COTTON.

2. THE OUTCOME OF THE MEETING WAS LARGELY DETERMINED IN THE PRODUCERS' GROUP WHERE OPPOSITION TO BUFFER STOCKS FROM THE U.S. AND THE MAJORITY OF LATIN AMERICAN COUNTRIES AND THE OPAQUE RESERVE OF THE USSR FRUSTRATED THE EFFORTS OF AFRICANS AND ASIAN COUNTRIES TO OBTAIN A PRODUCER ENDORSEMENT OF BUFFER STOCKS. THE UNCTAD SECRETARIAT'S EFFORTS TO STAGE MANAGE DEVELOPING COUNTRY PRODUCERS THROUGH ADVANCE MEETINGS IN CAIRO, CARACAS AND GENEVA WITH SELECTED COUNTRIES PROVED EMBARRASSING WHEN MANY OF THE COUNTRIES ATTENDING THOSE MEETINGS AND MOST OF THOSE NOT ATTENDING DISASSOCIATED THEIR GOVERNMENTS FROM THE REPORTS ON THE MEETINGS. EL SALVADOR, GUATEMALA AND COLOMBIA SPOKE OUT STRONGLY IN OPPOSITION TO BUFFER STOCKS AND RECEIVED SUPPORT FROM BRAZIL, NICARAGUA AND ARGENTINA. WITH VARYING DEGREES LIMITED OFFICIAL USE

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OF ENTHUSIASM AND EFFECTIVENESS, EGYPT, NIGERIA, TURKEY, PERU AND MEXICO URGED BUFFER STOCKS AS THE PRINCIPAL INTERNATIONAL ACTION TO CURTAIL EXCESSIVE FLUCTUATIONS IN COTTON PRICES. CHAD EXPRESSED INTEREST IN ANY MEASURE WHICH WOULD STABILIZE ITS FOREIGN EXCHANGE EARNINGS. THE DELEGATIONS OPPOSING BUFFER STOCKS EXPRESSED FEAR THAT STOCKS WOULD DEPRESS PRICES, INHIBIT ADJUSTMENT OF SUPPLY AND DEMAND IMBALANCES AND OBSTRUCT PRODUCING COUNTRIES FROM MAKING MOST EFFECTIVE USE OF THEIR RESOURCES. SEVERAL PRODUCING COUNTRIES NOTED THAT ENERGY COST INCREASES AND OTHER EXTERNAL FACTORS MAY HAVE BEEN AS IMPORTANT IN CAUSING RECENT PRICE FLUCTUATIONS AS INTERNAL COTTON MARKET FORCES. SUPPORTERS OF BUFFER STOCKS EMPHASIZED THE DESIRABILITY OF SAFEGUARDING DEVELOPING COUNTRIES FROM HAVING TO SELL COTTON AT LOW PRICES. THE USSR SAID THE MAJORITY OF ITS COTTON WAS SOLD TO SOCIALIST COUNTRIES AT STABLE PRICES AND THAT IT WAS PREPARED TO PARTICIPATE CONSTRUCTIVELY IN DISCUSSIONS AIMING AT ELABORATING MEASURES TO STABILIZE INTERNATIONAL COTTON MARKETS IN WHICH PARTICIPATION WOULD BE VOLUNTARY. CONSUMING COUNTRIES NOTED CONCERNS ABOUT THE TECHNICAL AND ECONOMIC

FEASIBILITY OF BUFFER STOCKS BUT EXPRESSED WILLINGNESS
TO PARTICIPATE IN FURTHER WORK AT THE EXPERT LEVEL ON
POSSIBLE MEASURES TO REDUCE EXCESSIVE FLUCTUATIONS IN
PRICES.

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ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EA-07 EUR-12 NEA-10 IO-13
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NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00
CEA-01 /112 W

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P R 241450Z JUN 77
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8582
INFO OECD CAPITALS
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CAIRO
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3. THE MEETING GAVE LIMITED ATTENTION TO OTHER MEASURES. SEVERAL PRODUCING COUNTRIES EXPRESSED INTEREST IN IMPROVED AVAILABILITY OF INFORMATION ON INTERNATIONAL COTTON MARKETS AND OTHERS SAID ENHANCEMENT OF DEMAND FOR COTTON THROUGH MARKET PROMOTION AND RESEARCH AND DEVELOPMENT WAS ESSENTIAL. THE MEETING DID NOT DISCUSS ISSUES RELATING TO COTTON YARN, MARKET ACCESS OR HARMONIZATION OF PRODUCTION WITH SYNTHETIC PRODUCTION AND DID NOT RECOMMEND THAT THE MEETING AT THE EXPERTS LEVEL CONSIDER THESE ISSUES. THE MEETING ALSO EXPRESSED APPROVAL FOR THE WORK OF THE ICAC AND IIC AND ASKED THAT THESE ORGANIZATIONS BE INVITED TO PARTICIPATE IN THE FURTHER WORK OF THE CONFERENCE.

4. DECISION OF THE MEETING FOLLOWS BY SEPTTEL. SORENSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 24-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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Office: ACTION EB
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22 May 2009
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